



State of Colorado Facts about Cash Benefit Program Access

The Colorado Department of Human Services (CDHS) administers several programs that utilize electronic payment systems for cash distribution to qualified participants. Those programs are:

- Aid to the Blind (AB)
- Aid to the Needy Disabled (AND)
- Child Care
- Child Welfare
- Low-Income Energy Assistance Program (LIEAP)
- Old Age Pension (OAP)
- Subsidized Adoption
- Temporary Assistance for Needy Families (TANF)

Cash benefits are distributed to recipients through the Electronic Benefits Transfer System (EBTS). The EBTS distributes public assistance benefits electronically using the Colorado QUEST Card (EBT card) and/or the Automated Clearing House (ACH) direct deposit process.

Non-cash food assistance benefits are also distributed via the EBTS but can only be used to purchase approved food items at authorized food retailers.

CDHS contracts with a banking vendor to administer the EBTS program. State of Colorado Human Services Code 26-2-104 prohibits clients from accessing their cash benefits at ATMs in Colorado located in licensed gaming establishments, in-state simulcast facilities, race tracks, commercial bingo facilities, stores or establishments in which the principal business is the sale of firearms, liquor stores, bars, and pubs.

CDHS does not have the authority to disable ATM access in prohibited locations, nor does it have any authority over the restricted venues.

For the six-month period ending 11/30/2011, there were a total of 222,067 EBT card ATM transactions for a total dollar amount of \$34,681,447.

The overwhelming majority of clients who receive cash benefits access and utilize them appropriately. Less than 1% of these transactions utilized ATMs in locations prohibited by statute.

Many neighborhoods have few ATMs from which clients can access their benefits. Accessing benefits at an ATM in a prohibited location does not necessarily mean that the funds are spent there.

The Colorado Department of Human Services is continuing to work with the EBTS vendor to disable ATMs for EBT access at prohibited locations.

Clients are charged a surcharge when they use their EBT card at an ATM owned by a processor other than J.P. Morgan or Chase.

Clients can avoid surcharges by:

- Using a J.P. Morgan or Chase ATM.
- Using their card at approved merchant locations where they have access to unlimited free transactions.
- Receiving cash back at no charge with purchases at many supermarkets and grocery stores.

The Colorado Department of Human Services is working with our county partners to educate clients on how to access their benefits appropriately, as well as how to avoid ATM surcharges.

